

11 December 1986

Iranian Appears To Have Sought A Hostage Deal

The following dispatch is based on reporting by Fox Butterfield, Jeff Gerth and Bernard E. Trainor and was written by Mr. Butterfield.

Special to The New York Times

WASHINGTON, Dec. 10 — Months before the Administration says it began its dealings with Iran, the key Iranian middleman had approached a former American intelligence official with a proposal to trade hostages for money, participants in the talks say.

The new information about the middleman, the arms merchant Manucher Ghorbanifar, suggests his main motive was money when he drew the United States into the secret talks.

The Administration has maintained that it entered the secret talks to improve relations with Iran, but by the time American officials became involved a variety of private individuals, including arms dealers and intelligence operatives, had started the chain of events and created an informal network with commercial rather than diplomatic objectives.

Mr. Ghorbanifar made his first known overture late in 1984 in a series of meetings in a Hamburg hotel that were also attended by several Iranian clerics on arms purchasing missions, according to participants. Mr. Ghorbanifar, who has ties to both Ayatollah Khomeini and the Shah of Iran's former secret police, said he wanted money to help gain the hostages' release, the sources said.

A former senior official of the Central Intelligence Agency, Theodore G. Shackley, wrote a detailed report of the offer, including telephone numbers in Europe for Mr. Ghorbanifar, several people involved in the talks say. They say the memorandum was passed on to the Administration and seen by a Cabinet official and possibly a member of the National Security Council.

What, if anything, came of this original proposal is unclear. But more than six months later, after being introduced by the Israelis, Mr. Ghorbanifar became the central figure in the Administration's dealings with Teheran.

Doubt Cast on Reliability

The new disclosures about Mr. Ghorbanifar's early involvement raise questions about his reliability, as does a C.I.A. profile that was prepared later, according to one American official.

Robert C. McFarlane, the former national security adviser who conducted much of the secret diplomacy with Iran, also became convinced of Mr. Ghorbanifar's unreliability. He has told Congress that he eventually became disillusioned with the Iranians, particularly Mr. Ghorbanifar, and advised halting the arms shipments to Teheran, according to people familiar with his Congressional testimony last week.

The White House account of how the negotiations with Iran began has never been entirely clear. In asking for the appointment of an independent counsel Monday to investigate the Iran arms sales and the diversion of profits to the Nicaraguan rebels, Attorney General Edwin Meese 3d said the inquiry should begin "from in or around January 1985 (the exact date being unknown)."

But when the first reports came out last month about the Iran arms sales, Administration officials, including President Reagan, contended that the program had its inception in mid-1985 when Mr. McFarlane sent an American consultant, Michael Ledeen, to Israel to meet with Prime Minister Shimon Peres.

A Possible Intermediary

Mr. Ledeen was reported to have asked for Israel's assessment of whether the United States could pursue better relations with Iran, and the Israelis were said to have suggested Mr. Ghorbanifar as a possible intermediary. At the time Mr. Ledeen was aware of the Iranian overtures to Mr. Shackley, who was a friend of Mr. Ledeen, associates of the men say.

Mr. Ghorbanifar had been introduced to the Israelis by Adnan M. Khashoggi, the Saudi billionaire businessman and arms merchant, Israeli officials have said. At the time, Israel was also interested in improving its own relations with Iran.

According to the Administration's account, Mr. Ledeen then met with Mr. Ghorbanifar, who laid out a case for better relations between the United States and Iran. Mr. McFarlane approved these contacts, leading to further meetings between Mr. Ghorbanifar and United States officials and eventually the arms sales, in the Administration's version.

Close Ties to Shah's Police

But the people involved in the earlier talks say they actually began in November 1984 when Mr. Ghorbanifar called a former Iranian intelligence official associated with Mr. Shackley.

Mr. Shackley, who retired from the C.I.A. in 1979 after a long career in the clandestine services division, had his own reasons for involvement. He was a good friend of William Buckley, the C.I.A. station chief in Beirut who had been kidnapped in March 1984 by Hezbollah, the terrorist group with links to

Iran. His abduction spurred efforts by Mr. Shackley and American officials to obtain his release. Mr. Shackley also has an interest in events in the Persian Gulf because of his consulting work for oil traders.

Mr. Ghorbanifar's business interests involved selling military equipment to Iran. One associate said that before the revolution in Iran he had close ties to Savak, the Iranian intelligence agency. Another associate said he had later won favor with Ayatollah Khomeini by informing the new Iranian Government of a plot against him by Iranian air force officers. As a result, 160 officers were executed, the associate recalled.

No one answered the phone today at Mr. Ghorbanifar's office in Nice, France.

Although in preliminary phone calls Mr. Ghorbanifar had spoken of knowing Iranian clerics who were interested in relations with the United States, when Mr. Shackley and two Iranian associates traveled to Hamburg in November 1984 they found his major interest was in making money. "He was in this for business," one source said.

Mr. Ghorbanifar introduced the visitors to several Iranian officials and religious leaders who were in West Germany to buy arms. At the meeting Mr. Ghorbanifar brought up the issue of American hostages in Lebanon.

"Ghorbanifar brought it up," a participant related. "It was strictly people for money, he could get them out for money, he could ransom them out."

Another associate of Mr. Shackley said there was also a hint that exchanging arms for hostages was an alternative.

Other Channels to Iran

It was after several meetings in Hamburg that Mr. Shackley prepared his report. The sources agree that the Administration was given the report, but they gave differing accounts of who actually received it. One person said it had gone to an unnamed Cabinet official while another said it had reached the National Security Council.

Mr. Shackley himself was told that the Government had other, unspecified channels to Iran, according to an associate.

But later, in February 1985, Mr. Ghorbanifar called one of Mr. Shackley's Iranian partners in Washington again, renewing his hostage proposal, a participant said. That apparently was the last contact Mr. Ghorbanifar had with Mr. Shackley and his associates.

But soon after that Mr. Khashoggi, the Saudi billionaire, introduced Mr. Ghorbanifar to Israeli arms dealers with ties to the Peres Government, whom in turn put Mr. Ghorbanifar in contact with Mr. Ledeen, the consultant to the National Security Council.

The first shipment of arms to Iran with United States approval took place in August and September of 1985. Copies of bank documents show that in those months Mr. Ghorbanifar wrote two checks to Mr. Khashoggi totaling \$5 million.

Congressional investigators have raised questions about the commissions earned on the arms sales.